

JUN 09 2011

BEFORE THE DEPARTMENT OF INSURANCE  
STATE OF NEBRASKA

FILED

STATE OF NEBRASKA	)	
DEPARTMENT OF INSURANCE,	)	
	)	
PETITIONER,	)	CONSENT ORDER
	)	
VS.	)	
	)	
USAA CASUALTY INSURANCE	)	CAUSE NO. C-1894
COMPANY	)	
	)	
RESPONDENT.	)	
	)	

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Eric Dunning, and USAA Casualty Insurance Company ("Respondent") mutually stipulate and agree as follows:

JURISDICTION

1. The Department of Insurance has jurisdiction and control over Respondent pursuant to Neb.Rev.Stat. §44-101.1, et seq.

2. The Department of Insurance has jurisdiction and control over Respondent pursuant to Neb.Rev.Stat. §44-101.1, et seq. The Department has jurisdiction over these matters pursuant to the Unfair Insurance Claims Settlement Practices Act, Neb. Rev. Stat. §§ 44-1536 through 44-1544, and Chapter 60 of Title 210 of the Nebraska Administrative Code.

3. Respondent was licensed to engage in the business of insurance in the State of Nebraska as a foreign insurer at all times material to this action.

## STIPULATIONS OF FACT

4. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. USAA Casualty Insurance Company on April 28, 2011. A copy of the petition was served upon the Respondent at the Respondent's business addresses and at Respondent's Agent for Service of Process registered with the Department by certified mail, return receipt requested.

5. The petition alleges that Respondent violated Neb. Rev. Stat. §§ 44-1539 and 44-1540(2), and Chapter 60 of Title 210 of the Nebraska Administrative Code §008.01 as a result of the following:

a. On or about December 21, 2009, Claimant in Department Case Number 10-0625 notified Respondent of a claim involving Respondent's insured, Raquel Ortiz. Respondent failed to notify the claimant in writing that the insurer denied the claim.

b. On or about December 31, 2009, Claimant in Department Case Number 10-0353 notified Respondent of a claim involving Respondent's insured, Thomas T. Foley. Respondent failed to notify the claimant in writing that the insurer denied the claim, until a denial letter was mailed to the claimant on March 30, 2010.

c. On or about November 13, 2010, Claimant in Department Case Number 11-0196 notified Respondent of a claim involving Respondent's insured, Angela Yans. Respondent failed to notify the claimant in writing that the insurer denied the claim, until a denial letter was mailed to the claimant on March 1, 2011.

6. The petition alleges that Respondent violated Neb. Rev. Stat. §§ 44-1539 and 44-1540 (2), and Chapter 60 of Title 210 of the Nebraska Administrative Code §008.02 as a result of the following:

a. On or about December 21, 2009 Claimant in Department Case Number 10-0625 notified Respondent of a claim involving Respondent's insured, Raquel Ortiz. Respondent failed to notify the claimant in writing that the insurer needed further time in which to investigate during the pendency of the investigation which did not terminate until March 22, 2010.

b. On or about December 31, 2009 Claimant in Department Case Number 10-0353 notified Respondent of a claim involving Respondent's insured, Thomas T. Foley. Respondent failed to notify the claimant in writing that the insurer needed further time in which to investigate during the pendency of the investigation which did not terminate until March 30, 2010.

7. Respondent was informed of its right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving its right to a public hearing, Respondent also waives its right to confrontation of witnesses, production of evidence, and judicial review.

8. Respondent neither admits nor denies the allegations contained in the Petition and restated in paragraphs 5 and 6 above.

#### CONCLUSIONS OF LAW

Respondent's conduct as alleged above constitutes a violation of Neb.Rev.Stat. Neb.Rev.Stat. §§ 44-1539 and 44-1540 (2), and Neb. Admin. R.& Reg. §§ 008.01 and 008.02.

#### CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Respondent that:

(1) Respondent agrees to pay an administrative penalty of \$3,000; and

(2) The Nebraska Department of Insurance will retain jurisdiction of this matter for the purpose of enabling the Respondent or the Department of Insurance to make application for such further orders as may be necessary.

In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing his or her signature below.

  
Eric Dunning  
Attorney for Petitioner  
941 "O" Street, Suite 400  
Lincoln, NE 68508  
(402) 471-2201

Date: 6-7-11

  
Respondent  
William H. McCartney  
for USAA Casualty Insurance Company

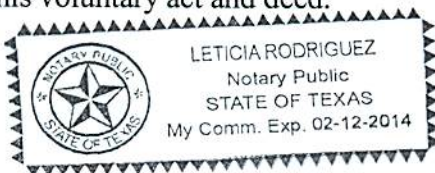
Date: JUNE 2, 2011

  
Attorney for Respondent

Date: JUNE 2, 2011

State of Texas )  
County of Bexar ) ss.

On this second day of June, 2011, William H. McCartney, Senior Vice President, USAA Casualty Insurance Company, personally appeared before me on behalf of USAA Casualty Insurance Company and read this Consent Order, executed the same and acknowledged the same to be his voluntary act and deed.



  
Notary Public

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CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of the State of Nebraska Department of Insurance vs. USAA Casualty Insurance Company, Cause No. C-1894.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

Bruce R. Range  
Bruce R. Range  
Director of Insurance

Date: 6-9-2011

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served upon Respondent by mailing a copy to Respondent through Respondent's Representative, George Satchell, at 9800 Fredericksburg Road, San Antonio, TX 78288 and Respondent's Agent for Service of Process, Tom R. Strasburger, C/O USAA 1855 Telstar Drive, Colorado Springs, CO 80920, by certified mail, return receipt requested, on this 10<sup>th</sup> day of June 2011.

Larry A. Luhn

RECEIVED  
JUN 06 2011  
NEBRASKA DEPARTMENT  
OF INSURANCE